DATE: 3/14/12 API # : 47-039-06249

State of West Virginia Department of Environmental Protection Office of Oil and Gas

Well Operator's Report of Well Work

Farm name:John Fleming	Oper	ator Well No.:_	John Fleming	g #2
LOCATION: Elevation: 1039'	Quac	lrangle:	Pocatalico	
District: Union Latitude: Feet South of 38 Deg Longitude Feet West of 81 Deg	County: eg 27 ! 40 Min	Kanaw Min30 n00Se	ha Sec. c.	10000 in Work in Figure
Company:Larch Oil &Gas Corporation				
	Casing & Tubing	Used in drilling	Left in well	Cement fill up Cu. Ft.
Address: 5 Kimeric Lane				
Agent: Jimmie Larch	13 3/8"	34'	34'	N/A
Inspector: Terry Urban	9 5/8"	512'	512'	······································
Date Permit Issued: 3/23/10 2/25/2011	7"	2165	2165'	
Date Well Work Commenced: 3/29/10 3/2/2011	4.5"	5197'	5197'	454 cf 384 cf
	1.5"	5090'	5090'	N/A
Verbal Plugging:	1.5	3090	3090	IN/A
Date Permission granted on:	Install 2"X4" 12/21/2011	production Pac	ker at 5078' on 1	½" tubing -
Rotary X Cable Rig				
Total Vertical Depth (feet): 5202'			RECEIV	EM .
Total Measured Depth: 5202'				
Fresh Water Depth (ft.): 221'		U	ffice of Oil	3 Gas
Salt Water Depth (ft.): 1395'				
			APR 0.2 Z	013
Is coal being mined in area (N/Y)? N				
Coal Depths (ft.):62' - 65', 154'-158'			V Departm	
OPEN FLOW DATA		Envir	onmental f	Protection
Producing formationOriskany	Pay zone	depth (ft) 512	20'- 5162'	•
Gas: Initial open flow_0_MCF/d Oil: Initi	al open flow	Bbl/c	i	
Final open flow 25 MCF/d Fina	l open flow	Bbl/	d	
Time of open flow between initial and f	inal tests $\frac{1}{7}$	2 Hour	S	
Static rock Pressure400psig (surface p	ressure) after	_Hours		
Second producing formationDevonian SI Gas: Initial open flow0MCF/d Oil: Final open flow200MCF/d Fi Time of open flow between initial and f Static rock Pressure800psig (surface	Initial open flow inal open flow inal tests	owB B Hours	bl/d	023,
NOTE: ON BACK OF THIS FORM PUT THE FINTERVALS, FRACTURING OR STIMULATING LOG WHICH IS A SYSTEMATIC DETAILED INCLUDING COAL ENCOUNTERED BY THE Signed: Signed:	IG, PHYSICA GEOLOGICAI WELLBORE.	L CHANGE, E	TC. 2). THE WE	ELL

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Formation:	Top:	Bottom:
Soil/Sand/Shale	0	765 .
Sand/shale	765	940 .
Silt/Shale	940	1000
Silt/Sand/Shale	1000	1365 .
Salt Sands	1365	1650
Maxton Sands	1715	1780
Big Lime	1780	1900 .
Injun Sand	1900	2095
Shale	2095	2485 .
Berea Sand	2485	2495
Devonian Shale	2495	5022 .
Huron Section	3706	4278 .
Rhinestreet Section	4700	4906 .
Marcellus Section	4979	5022 .
Onandaga Lime	5022	5120
Oriskany	5120	5176
Helderberg	5176	5202 .

No Core Samples Taken

T7 - ---- - 44 ---

Cutting samples caught while drilling

On 4/20/10 MIRU Performance Wireline. Bond Log Production string and Perforate Oriskany Sands from 5120'- 5162' with 20 Shots.

On 4/23/10 MIRU BJ Services. Start pumping Gelled fluid to breakdown and establish rate. Spot Additional acid to perforations in attempt to decrease injection pressure with no success. Start pumping Crosslink fluid pad and follow with 0.25ppg sand laden fluid. Pump total of 1300lbs of 20/40 sand at max rate of 7bbl/min 3900psi. Flush to perforations and spot additional 12 bbls 15% HCL Acid. MIRU Performance Wireline. Perforate using 10' 20shot HSC under pressure from 5127' – 5137' (open hole log). No apparent change to injection pressure. SWI. RDMO BJ Services and Performance Wireline.

On 3/2/11 Perforate Marcellus Shale from 4986'- 5023' with 20s.f.

On 3/4/11 MIRU BJ Services Stim crew. Start pumping N2 at 30kscf/min and monitor pressure In preparation to drop frac ball and acid. Back rate down to 10-15kscf/min due to pressure, Continue pumping for total of 107kscf at average of 3800-3900psi to clear fluid. Shut down and Load 3 3/8" frac ball. Start pumping 2 bbls acid — drop ball and follow with 4 additional

Bbls 7.5% acid with N2 mist. Land ball at 15-20kscf/min rate and breakdown formation. Continue to increase rate to 30kscf/min- pressure rose to 3900-4000psi. Back rate down to 20kscf/min and mist additional 2bbls acid. Work rate back up to 48kscf/min and pump total of 900kscf N2.

Perforate Rhinestreet Shale from 4710'-4869' with 20s.f. shots.

Start pumping 6 bbls 7.5% HCL Acid (drop 3 ½" ball after 2) and follow with N2 at 15 – 20Kscf/min. Increase rate to 60kscf/min after 75-80kscf N2. Pump total of 900kscf N2 with 17 perf balls.

Perforate Lower Huron Shale from 4177'-4272' with 16 s.f. shots

Start pumping 6bbls 7.5% HCL (drop 3 ¾" ball after 2)and follow with N2 at 15-20kscf/min. Land ball at 57Kscf and break down at 1916psi. Increase rate and pump total of 800kscf N2 with 12 perf balls.

Perforate Upper Huron Shale from 3718' - 4164' with 14 s.f. shots

Start pumping at 26kscf/min drop 8 perf balls and start misting 6bbls of HCL acid. Pump total of 600kscf N2 with total of 24 perf balls.

Marcellus	Rhinestreet	Lower Huron	Upper Huron
4200	3200	3950	2850
4000	2950	3500	2650
47,000	63,000	60,000	60,000
2523	1528		1516
	4200 4000 47,000	4200 3200 4000 2950 47,000 63,000	4200 3200 3950 4000 2950 3500 47,000 63,000 60,000

On 12/21/11 MIRU Service Rig. Run 1 $\frac{1}{2}$ " Tubing to depth of 5090' with production packer at 5078' to isolate deep production.